
STATUTORY INSTRUMENTS

1994 No. 246

**LOCAL GOVERNMENT, ENGLAND AND WALES
FINANCE**

**The Local Authorities (Alteration of Requisite
Calculations and Funds) Regulations 1994**

<i>Made</i>	- - - -	<i>7th February 1994</i>
<i>Laid before Parliament</i>		<i>7th February 1994</i>
<i>Coming into force</i>	- -	<i>8th February 1994</i>

The Secretary of State, in exercise of the powers conferred on him by sections 99(1) to (3), 140(4), 143(1) and 146(6) of the Local Government Finance Act 1988(1), sections 32(9), 33(4), 43(7), 44(4) and 113(1) of the Local Government Finance Act 1992(2), and of all other powers enabling him in that behalf, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Local Authorities (Alteration of Requisite Calculations and Funds) Regulations 1994 and shall come into force on 8th February 1994.

Interpretation

2. In these Regulations “the 1992 Act” means the Local Government Finance Act 1992.

Calculation of budget requirement by billing authorities

3.—(1) The constituents of the calculation to be made under section 32(2) of the 1992 Act(3) are altered by substituting for paragraph (e) the following paragraph—

“(e) any amounts which it estimates will be transferred from its general fund to its collection fund pursuant to a direction under subsection (5) of section 98 of the 1988 Act and charged to a revenue account for the year, other than (in the case of an authority in England) any amounts which it estimates will be so transferred pursuant to a direction

(1) 1988 c. 41; section 99 was substituted by the Local Government Finance Act 1992, Schedule 10, paragraph 24, in relation to any financial year beginning on or after 1st April 1993.
(2) 1992 c. 14.
(3) Section 32 was amended by S.I.1992/2429 and 1993/401.

under that subsection relating to the difference between amounts in respect of community charges credited and charged to a revenue account for any earlier financial year.”(4).

(2) The constituents of the calculation to be made under section 32(3) of the 1992 Act are altered as follows—

(a) in paragraph (a), for the words “or additional grant” there shall be substituted the words “, additional grant or (in the case of an authority in England) the grant specified in paragraph 4 of the special grant report approved by a resolution of the House of Commons pursuant to section 88B of the 1988 Act on 3rd February 1994”⁽⁵⁾; and

(b) for paragraph (b) there shall be substituted the following paragraph—

“(b) any amounts which it estimates will be transferred from its collection fund to its general fund pursuant to a direction under subsection (4) of section 98 of the 1988 Act and credited to a revenue account for the year, other than (in the case of an authority in England) any amounts which it estimates will be so transferred—

(i) pursuant to a direction under that subsection relating to the difference between amounts in respect of community charges credited and charged to a revenue account for any earlier financial year; and

(ii) in the case of the Common Council, pursuant to a direction under that subsection in respect of an amount calculated by reference to the provisional amount of its non-domestic rating contribution under Part II of Schedule 8 to that Act; and”⁽⁶⁾.

Calculation of basic amount of tax

4.—(1) The constituents of the calculation required by item P in sections 33(1) and 44(1) of the 1992 Act⁽⁷⁾ are altered by substituting for the words “or additional grant” the words “, additional grant or (in the case of an authority in England) the grant specified in paragraph 4 of the special grant report approved by a resolution of the House of Commons pursuant to section 88B of the 1988 Act on 3rd February 1994”.

(2) The constituents of the calculation required by item P in subsections (1) and (3) of section 33 of the 1992 Act are altered by substituting for subsection (3) the following subsections—

“(3) The aggregate of the sums mentioned in item P in subsection (1) above shall be increased or reduced by the amount calculated in accordance with the following formula, according to whether that amount is positive or negative

$$W + X - (Y + Z)$$

where

W is the amount of any sum which the authority estimates will be transferred in the year from its collection fund to its general fund in accordance with section 97(3) of the 1988 Act;

X in the case of an authority in Wales is nil and, in the case of an authority in England, is (subject to subsection (3A) below) the amount of any sum which the authority estimates will be—

(4) The references to section 98(5) are references to section 98(5) of the Local Government Finance Act 1988; section 98(5) was amended by the 1992 Act, Schedule 10, paragraph 23.

(5) Section 88B of the Local Government Finance Act 1988 (c. 41) was inserted by the 1992 Act, Schedule 10, paragraph 18.

(6) The references to section 98(4) and Part II of Schedule 8 are references to section 98(4) of, and Part II of Schedule 8 to, the Local Government Finance Act 1988; section 98(4) was amended by the 1992 Act, Schedule 10, paragraph 23; Part II of Schedule 8 was amended by the Local Government and Housing Act 1989 (c. 42), Schedule 5, paragraph 42, and the 1992 Act, Schedule 10, paragraph 6 and Schedule 13, paragraph 86. “The Common Council” is defined by section 69(1) of the 1992 Act as the Common Council of the City of London.

(7) Section 33 was amended by S.I. 1992/2429 and 1993/401.

- (i) transferred from its collection fund to its general fund pursuant to a direction under section 98(4) of that Act relating to the difference between amounts in respect of community charges credited and charged to a revenue account for any earlier financial year; and
- (ii) credited to a revenue account for the year;

Y is the amount of any sum which the authority estimates will be transferred in the year from its general fund to its collection fund in accordance with section 97(4) of that Act;

Z in the case of an authority in Wales is nil and, in the case of an authority in England, is the amount of any sum which the authority estimates will be—

- (i) transferred from its general fund to its collection fund pursuant to a direction under section 98(5) of that Act relating to the difference between amounts in respect of community charges credited and charged to a revenue account for any earlier financial year; and
- (ii) charged to a revenue account for the year.

(3A) In the case of the Common Council, item X in subsection (3) above shall also include the amount of any sum which the Common Council estimates will be—

- (a) transferred from its collection fund to its City fund pursuant to a direction under section 98(4) of the 1988 Act in respect of an amount calculated by reference to the provisional amount of its non-domestic rating contribution under Part II of Schedule 8 to that Act; and
- (b) credited to a revenue account for the year.”.

Calculation of budget requirement by major precepting authorities

5. The constituents of the calculation to be made under section 43(3) of the 1992 Act are altered by amending section 43 as follows—

- (a) in subsection (3)(a), for the words “the 1988 Act; and” there shall be substituted the words “the 1988 Act, or (in the case of an authority in England) in respect of relevant special grant; and”; and
- (b) after subsection (6), there shall be inserted the following subsection—

“(6A) For the purposes of subsection (3)(a) above relevant special grant is the grant specified in paragraph 4 of the special grant report approved by a resolution of the House of Commons pursuant to section 88B of the 1988 Act on 3rd February 1994.”.

Revocation of Regulations

6. In consequence of the provisions of regulations 3(1) and (2)(b) above and 4(2) above, the Billing Authorities (Alteration of Requisite Calculations) (England) Regulations 1992(8) and regulations 2, 3 and 4 of the Billing Authorities (Alteration of Requisite Calculations and Transitional Reduction Scheme) (England) Regulations 1993(9) are hereby revoked.

Amendment of Regulations

7. In paragraph 5(g) of Part I of Schedule 2 to the Local Authorities (Funds) (England) Regulations 1992(10) for the words “the Collection Fund” to the end there shall be substituted the

(8) S.I. 1992/2429.

(9) S.I. 1993/401.

(10) S.I. 1992/2428.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

words “any direction made by the Secretary of State under section 98(4) and (5) of the 1988 Act relating to the difference between amounts in respect of community charges credited and charged to a revenue account for any earlier financial year.”.

Signed by authority of the Secretary of State

7th February 1994

David Curry
Minister of State,
Department of the Environment

EXPLANATORY NOTE

(This note is not part of the Regulations)

Sections 32 and 43 of the Local Government Finance Act 1992 set out, respectively, how a billing authority and a major precepting authority are to calculate their budget requirements for a financial year.

Regulation 3 alters section 32 by requiring an English billing authority not to take into account sums which it estimates will be transferred pursuant to directions under section 98(4) and (5) of the Local Government Finance Act 1988 relating to the difference between amounts in respect of community charges credited and charged to a revenue account for any earlier financial year, and sums which it estimates will be payable into its general fund in respect of the special grant specified in paragraph 4 of the special grant report approved by the House of Commons on 3rd February 1994. Regulation 5 alters section 43 by requiring an English major precepting authority not to take into account sums which it estimates will be payable to it in respect of such special grant.

Sections 33 and 44 of the Local Government Finance Act 1992 set out the calculations to be made, respectively, by a billing authority and a major precepting authority in respect of the basic amounts of their council tax. Regulation 4 makes alterations to those sections as a consequence of the changes made to sections 32 and 43.

Regulation 6 revokes certain Regulations in consequence of the amendments made by regulations 3(1) and (2)(b) and 4(2).

Regulation 7 amends Part I of Schedule 2 to the Local Authorities (Funds) (England) Regulations 1992, which provide, inter alia, for the discharge by an English billing authority and its major precepting authorities of their liabilities to meet any estimated surplus or deficit in the billing authority's collection fund. The amendment provides that in estimating whether there is such a surplus or deficit no account shall be taken of transfers to or from the billing authority's general fund of amounts pursuant to any direction under section 98(4) and (5) of the Local Government Finance Act 1988 relating to the difference between amounts in respect of community charges credited and charged to a revenue account for any earlier financial year.

Copies of the special grant report referred to in these Regulations (Special Grant Report (No.9)) may be obtained from HMSO, ISBN 0 10 218094 6, price £3.40.